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CONFIDENTIAL – SUBJECT TO F.R.E. 408

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August 1, 2012

VIA UPS and EMAIL hicks.matthew@epa.gov

Matthew Hicks, Esq.
Associate Regional Counsel
U.S. Environmental Protection Agency, Region 4
Office of Environmental Accountability, 13th Floor
61 Forsyth Street, SW
Atlanta, Georgia 30303-8960

Re: Ward Transformer Superfund Site

Raleigh, North Carolina

Dear Matt:

This Firm represents PCS Phosphate Company, Inc. ("PCS") with respect to the above-referenced Superfund Site (the "Site"). PCS acknowledges receipt of EPA's July 10, 2012 CERCLA Special Notice Letter concerning OU-2 at the Site. Please accept this letter as PCS's expression of willingness to participate in further negotiations with EPA concerning the performance of a focused remedial investigation/feasibility study ("RI/FS") for the Site. It is PCS's understanding that Consolidated Coal Company and Carolina Power & Light Co., d/b/a Progress Energy Carolinas, Inc. also will participate in further negotiations concerning the OU-2 RI/FS.

If you have any questions or would like to discuss any aspect of this matter in more detail, please do not hesitate to contact me by telephone or email.

Very truly yours,

Mary Beth Deemer

cc: Mr. Michael Brom Karin S. Torain, Esq. Daniel Darragh, Esq. Christopher Smith, Esq.

